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INCREASE IN FIRST QUARTER CASH RECEIPTS FROM FARM MARKETINGS OF DAIRY PRODUCTS

The Dairy Situation, Economic Research Service, USDA, June 1962

During the first quarter of 1962, estimated cash receipts from marketings of dairy products were 1.2 percent above a year earlier, as milk production increased 2 percent, and prices farmers received declined 0.7 percent. Cash receipts from marketings of all farm products were down 0.2 percent from the first quarter of 1961. Cash receipt from dairy products in the last 9 months of 1962 are likely to fall below a year earlier because of lower prices this year.

In 1961, cash receipts from farm marketings of dairy products rose 3.6 percent over 1960 to a record \$4,911 million. As in previous years, the East North Central region ranked first in cash receipts, \$1,319 million, and the North Atlantic region next with \$1,078 million. Farm cash receipts from dairy products in these two regions were 49 percent of the U. S. total. The 5 States with highest cash receipts were: Wisconsin, New York, California, Minnesota, and Pennsylvania. All were above \$300 million. These 5 States had over 40 percent of the U. S. cash receipts from farm marketings of dairy products.

The largest percentage increase over 1960, 7.8 percent, was in the West North Central area, and the smallest, 0.7 percent, in the North Atlantic States. Among the 7 West North Central States, 5 increased

cash receipts from dairy products more than 5 percent. South Dakota, as a result of a heavy shift from the sale of farm-separated cream to the sale of whole milk, increased 11 percent over 1960, while cash receipts in Iowa and Minnesota were up 9.6 percent and 9.0 percent, respectively. Among the 9 North Atlantic States, 6 had lower cash receipts from farm marketings of dairy products in 1961 than 1960, and none increased as much as 2 percent. In the East North Central, West North Central, and Western regions, gains in marketings were coupled with increases in average returns per 100 pounds of milk marketed. Consequently, percentage gains in cash receipts were greater than the percentage gains in volume of marketings.

In the North Atlantic, South Atlantic, and South Central regions, lower average returns per 100 pounds of milk resulted in lower percentage gains in cash receipts than the percentage gains in marketings. These regions produce milk primarily for sale in fluid markets. Their lower average returns reflect increases in the proportion of milk used for manufacturing and resulting lower blend prices in fluid milk markets.

In 1961, cash receipts from farm marketings of dairy products rose to 14.1 percent of cash receipts from
(continued on back page)

Adverse Court Decision Affects Federal Orders

The Dairy Situation, Economic Research Service
USDA, June 1962

The Federal milk marketing order program will be affected by the U. S. Supreme Court decision on June 4 which declared invalid a compensatory payment provision of the New York-New Jersey milk marketing order in the case of Lehigh Valley Cooperative Farmers, Inc., et al, v. United States. Compensatory payments are associated with the regulation of "outside" milk entering Federal order markets.

The Supreme Court has remanded the matter to the District Court for disposition. Pending issuance of the disposition order of the District Court, it is difficult to forecast the full effect of the Supreme Court decision on the Federal order milk marketing system.

Eighty-three Federal orders were in effect on June 1, 1962. Of these, 13 provided for individual handler pooling and required no type of compensatory payments. Two of the 70 marketwide pool orders did not provide for compensatory payments, 4 provided for such payments only on Class I milk distributed in the marketing area from partially regulated plants, and 2 provided only for payments on Class I milk from nonpool sources sold to fully regulated plants.

The sixty-two remaining market-
(Continued on Back Page)



Cincinnati

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers Uniform Price (3.5%)	.....
Class I (3.5%)	.....
Class II (3.5%)	.....
Class III (3.5%)	.....
Producer Butterfat Differential for each one-tenth percent	.....

*Producer location differential—

Distance of Receiving plant from City Hall, Cincinnati, Ohio.

30 but less than 40 miles .06¢ less

40 but less than 50 miles .08¢ less

50 but less than 60 miles .10¢ less

Each additional 10 miles or fraction thereof, an additional .015

UTILIZATION SUMMARY

Percent of Producer Milk in Class I	.....
Percent of Producer Milk in Class II	.....
Percent of Producer Milk in Class III	.....

PRODUCTION SUMMARY

Total Bulk Tank Milk Deliveries	.....
Total Can Milk Deliveries	.....
Total Pounds of Producers Milk Delivered	.....
Percentage of Tank Milk to Total Deliveries	.....

Number of Tank Producers	.....
Number of Can Producers	.....
Total Number of Producers	.....
Percentage of Tank Producers to Total Producers	.....

Average Daily Production per Tank Producer	.....
Average Daily Production per Can Producer	.....
Average Daily Production for All Producers	.....

Average Butterfat Test of All Producers	.....
Average Daily Class I Use (Gross)	.....

VALUE SUMMARY

Total Value at Average Test	.....
Income per Producer (7 day average)	.....

AVERAGE DAILY SALES (Quarts)

Milk	.....
Buttermilk	.....
Chocolate	.....
Skim	.....
Cream	.....

June 1962	May 1962	June 1961
\$3.58*	\$3.60*	\$3.62*
4.65	4.72	4.7691
3.1006	3.109	3.3246
2.6875	2.6875	2.8438
7.4¢	7.4¢	7.6¢
58.41	57.94	53.42
18.56	18.31	17.60
23.03	23.75	28.98
41,565,060	44,567,510	40,670,489
14,352,634	16,424,949	19,652,275
55,917,694	60,992,459	60,322,764
74.33	73.07	67.42
2,247	2,229	2,149
1,335	1,375	1,905
3,582	3,604	4,054
62.73	61.85	53.01
617	645	631
358	385	344
520	545	496
3.55	3.58	3.61
1,164,242	1,211,249	1,129,885
\$2,011,369.78	\$2,218,029.45	\$2,223,058.54
\$131.02	\$138.97	\$127.95
459,354	468,146	447,522
14,199	14,336	13,560
14,114	28,584	13,773
34,526	34,117	31,983
10,259	10,054	10,807

COMPARATIVE STATISTICS



CINCINNATI MARKETING AREA



JUNE, 1953 - '62

Year	Receipts from Producers	Average Butter-fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	IV Class		
1953	41,916,732	3.72	46.4	3.3	48.6	1.7	3.95	4.4974	4.0474	3.4474	3.2724	5,270	265
1954	41,701,373	3.73	46.6	2.9	47.4	3.1	3.36	4.0796	3.6296	2.7212	2.5588	5,010	276
1955	44,044,713	3.71	48.3	15.3	36.4	—	3.29	4.4927	3.1891	2.6475	—	4,741	310
1956	46,925,712	3.67	54.2	19.7	26.1	—	3.87	5.1752	3.2537	2.8438	—	4,343	329
1957	43,300,101	3.66	51.1	22.2	26.7	—	3.50	4.6058	3.2566	2.8238	—	3,978	363
1958	41,878,691	3.69	54.2	21.3	24.5	—	3.38	4.4405	3.0329	2.7256	—	3,778	369
1959	47,509,968	3.63	57.4	22.5	20.1	—	3.50	4.5160	3.0421	2.7600	—	4,046	391
1960	49,802,037	3.67	55.4	20.5	24.1	—	3.51	4.5980	3.0331	2.8100	—	3,902	425
1961	60,322,764	3.61	53.4	17.6	29.0	—	3.62	4.7691	3.3246	2.8438	—	4,054	496
1962	55,917,694	3.55	58.4	18.6	23.0	—	3.58	4.65	3.1006	2.6875	—	3,582	520

Increase In Grain Feeding Maintained—Percent of Cows Milked Increased

The Dairy Situation, Economic Research Service, USDA, June 1962

Grain fed per cow in crop respondents' herds was 6.81 pounds on June 1, 0.3 pounds above a year earlier and a record for the month. Increases above a year earlier occurred in all areas except the East North Central. A large part of this increase over a year ago may reflect the relatively poor condition of pastures in Southern areas and the North Atlantic areas.

In both February and April 1962, grain fed per cow increased more over a year earlier than it had in the same months of 1961. However,

the U. S. rate of grain feeding declined slightly from February to April as a result of lowered feeding rates in Southern and Western regions.

The rate of grain feeding is being maintained at record levels in spite of the drop in the milk-feed price ratio from 1.42 in March to 1.27 in May. Values of grains and concentrate feeds were practically unchanged from March levels. Therefore, this decline in the milk-feed price ratio is due to the 42 cent drop in the price of all milk. Most of this

fall in price was caused by a reduction in the support level for farm prices of milk and butterfat on April 1.

Daily milk production per cow in crop reporters' herds was 25.82 pounds on June 1 compared with 24.49 pounds a month earlier and 25.32 pounds a year earlier. The 1962 amount of gain over the year before was above the 1961 gain in March and June but lower in April and May.

On June 1, the percentage of cows milked in crop correspondents' herds increased to a record 80.1 percent.

Milk Receipts In Federal Order Markets Increase More Than Class I Sales

The Dairy Situation, Economic Research Service USDA, June 1962

Producer receipts in 69 comparable Federal order markets during the first quarter of 1962 were 11,609 million pounds, about 5.5 percent above those of the first quarter of 1961. Class I sales increased 2.2 percent, utilizing 60.7 percent of producer receipts in the first quarter of 1962 compared with 62.7 percent the year before.

During 1961, total Federal order producer receipts increased 3.9 billion pounds over 1960. This increase does not represent merely production gains. Of the increase, 1.2 billion pounds were from 7 new markets and 0.8 billion pounds from 14 markets which were expanded in 1960 and 1961. The remainder came from

the 60 markets for which the marketing area did not significantly change in 1960 and 1961 and which were in effect in both years.

For these 60 markets, Federal order receipts increased 5.4 percent from 1960 to 1961, while the volume of whole milk delivered to all plants and dealers in the United States increased 4.3 percent. An indeterminate portion of the increase in milk receipts in the 60 markets came from: (1) Dairy farmers who shifted from the sale of manufacturing grade milk to Grade A or from unregulated fluid milk plants to plants regulated under a Federal order; or (2) new plants coming under an existing Federal order. Both of these kinds

of increase do not represent changes in the national supply of milk, though they cause changes in Federal order milk receipts.

ACTIVITIES OF CHECK TESTERS JUNE

Check testers for the Cincinnati Milk Market Administrator, rendering marketing service to non-member producers report these activities.

	June 1962
Composite Samples	3,394
Fresh Samples	1,411
Herd Test Samples	196
Finished Product	413
Farm Tank	58
Tank Truck	66

Price Ratios Influencing Milk
Production Decline Sharply

The Dairy Situation, Economic Research Service,
USDA, June 1962

The decline in the farm price of milk caused a drop in the milk-feed price ratio from 1.42 on March 15 to 1.33 on April 15 and 1.27 on May 15. This was 4 percent lower than a year earlier in April and 5 percent lower in May. The May ratio was the lowest point for the milk-feed price ratio since June 15, 1959, and the lowest for May 15 since 1958. The milk-beef price ratio, which has been slowly moving downward since the fall of 1961, fell farther to 0.15 because of the milk price decline in April and May.

When price relationships become less favorable, as they have now, farmers tend to respond by feeding milk cattle less heavily and culling more rigorously. If the price relationship improves, they react in the opposite direction. The current response is clouded by the large changes in the technology of milk production occurring in the past few years. These changes, because of their labor-saving features and the high capital investment, are stimulating many farmers and making it possible for them to increase herd size, specialize in milk production, and feed more heavily.

INCREASE IN FIRST QUARTER..
(continued from front page)

total farm marketings compared with 13.9 in 1960 and 13.9 in the period 1947-49. This is the third successive year that dairy products' share of farm cash receipts from marketings has increased. In the North Atlantic and East North Central regions, cash receipts from the farm sale of dairy products were 41 percent and 21 percent, respectively, of cash receipts from all farm marketings compared with only 8.5 percent in South Central and 9.7 percent in the West North Central regions. In Vermont, 78 percent of cash re-

ceipts from total farm marketings were from dairy products; in Wisconsin, 53 percent; and in New York, 52 percent.

ADVERSE COURT DECISION...

(Continued from Front Page)
wide pool orders all required some type of compensatory payment in varying amounts which applied to: (1) Milk received from nonpool sources which is used for Class I purposes by fully regulated handlers; and (2) Class I milk distributed in the area by plants which were primarily associated with other markets.

Market Quotations	
JUNE 1962	
MINNESOTA - WISCONSIN PRICE SERIES	\$3.01
MIDWEST CONDENSERIES 3.5% per Cwt.	2.889
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	2.700
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus).....	3.052
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Tri-Sate)	2.950
Average Weekly Cheddars price per lb.	.3300
Average price per lb. 92-score butter at Chicago	.57940
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant.....	.1330

THE
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